



# Health Services

LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

**Gloria Molina**  
First District

**Yvonne B. Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**John F. Schunhoff, Ph.D.**  
Interim Director

**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To improve health  
through leadership,  
service and education.*



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

October 7, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

## **FISCAL YEAR 2007-08 YEAR-END BUDGET ADJUSTMENT** (All Districts) (4 Votes)

### **SUBJECT**

Request approval of Fiscal Year 2007-08 Year-End Budget Adjustments for the Department of Health Services.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Fiscal Year (FY) 2007-08 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to increase the designation balance, as of June 30, 2008, to \$110.8 million.
2. Approve the attached FY 2007-08 BA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2007-08 BA (Attachment III) to realign the available funding for the Measure B Special Revenue Fund.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

The Board's approval of these BA's (Attachments I through III) for FY 2007-08 will:

1. Increase the DHS designation fund balance, as of June 30, 2008, to \$110.8 million in the designation, comprised of a \$106.8 million FY 2007-08 operating surplus (Attachment IV)

and the existing \$4.0 million designation balance from prior fiscal years. Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2007-08 financial experience.

2. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2007-08 financial experience, and decrease the transfer of funding to DPSS by \$0.9 million resulting from lower than expected operating activity.
3. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2007-08 final experience.

#### **FISCAL IMPACT/FINANCING:**

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2007-08. It also increases the designation balance to \$110.8 million, as of June 30, 2008. (See Attachment IV for the components of the \$110.8 million surplus.)

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for their future use. Of the \$110.8 million being placed in designation, \$20.6 million is associated with OV/UCLA Medical Center (OV/UCLA). This amount is being placed in separate designation account for OV/UCLA. This amount will be used to fund OV/UCLA's FY 2008-09 operations.

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$89.3 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2008. This includes \$4.8 million in interest that was earned on the balance in FY 2007-08 and \$0.1 million in parking fees. Of the \$89.3 million, \$11.8 million represents total payable, \$46.3 million represents total encumbrances, and \$31.2 million represents available fund balance for future use. In FY 2007-08, \$22.7 million was expended and \$32.6 million was encumbered in the ACO fund.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Not applicable.

**CONTRACTING PROCESS:**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

This Year-End BA has no impact on current services.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director of Health Services

JFS:aw M:\Accrual\FY 07-08\Closing BA(3) DHS Closing Letter.doc

Attachments (4)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No. 11008/24 2008

Auditor-Controller. •

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

**FY 2008**  
4 - VOTES ✓

SOURCES

See Attachment I-B for details

USES

See Attachment I-B for details

JUSTIFICATION

This budget adjustment is necessary to increase the DHS Enterprise Fund designation for future use to \$110.8 millions and realign certain appropriations and revenues within DHS in accordance with the FY 2007-08 final experience

MG:ty  
08/24/2008

  
Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

Referred to the Chief  
Executive Officer for ---

action

✓  
Recommendation

auditor-controller

by



no.

916

Sept. 24

2008

Approved as Requested

as Revised

Sept. 30, 2008   
Chief Executive Officer

approved (as revised):  
board of supervisors

20

by

deputy county clerk

**DEPARTMENT OF HEALTH SERVICES**  
**YEAR-END BUDGET ADJUSTMENT**  
**FISCAL YEAR 2007-08**

ATTACHMENT I-B  
Page 1 of 3

**4-VOTE**

**SOURCES:**

**LAC+USC Healthcare Network**

MN4-HG-60010-96-9910  
Operating Transfers In - Measure B 15,625,000 ✓

MN4-HG-60010-2000  
Services and Supplies 10,457,000 ✓

Total LAC+USC Healthcare Network \$ 26,082,000 ✓

**Coastal Network (H/UCLA Medical Center)**

MN1-HH-60020-1000  
Salaries & Employee Benefits 16,475,000 ✓

MN1-HH-60020-2000  
Services and Supplies 812,000 ✓

MN1-HH-60020-5500  
Other Charges 2,133,000 ✓

MN1-HH-60020-92-9631  
OCD - Mental Health 4,700,000 ✓

MN1-HH-60020-92-R212  
Medi-Cal HMO 2,981,000 ✓

MN1-HH-60020-92-9417  
Medi-Cal DSH 2,034,000 ✓

Total Coastal Network \$ 29,135,000 ✓

**Southwest Network (MLK-H Hospital)**

MN5-HK-60030-96-9911  
Operating Trans In 1,582,000 ✓

MN5-HK-60030-2000  
Services and Supplies 790,000 ✓

Total Southwest Network \$ 2,372,000 ✓

**Rancho Los Amigos National Rehabilitation Center**

MN7-HR-60040-96-9911  
Operating Trans In 5,304,000 ✓

Total Rancho Los Amigos \$ 5,304,000 ✓

**Valley Care Network (San Fernando & Antelope Valley)**

MN3-HO-60050-1000  
Salaries & Employee Benefits 5,859,000 ✓

MN3-HO-60050-2000  
Services and Supplies 1,200,000 ✓

MN3-HO-60050-5500  
Other Charges 2,456,000 ✓

MN3-HO-60050-92-9433  
Medi-Cal OP 3,415,000 ✓

MN3-HO-60050-92-9307  
CBRC 15,156,000 ✓

MN3-HO-60050-92-R221  
AB 915 1,058,000 ✓

MN3-HO-60050-92-9426  
CHP 8,104,000 ✓

MN3-HO-60050-92-9417

**USES:**

**LAC+USC Healthcare Network**

MN4-HG-60010-96-9911  
Operating Transfer In 26,082,000 ✓

\$ 26,082,000 ✓

**Coastal Network**

MN1-HH-60020-96-9911  
Operating Transfer In 19,124,000 ✓

MN1-HH-60020-96-9910  
Operating Transfers In - Measure B 10,011,000 ✓

\$ 29,135,000 ✓

**Southwest Network**

MN5-HK-60030-96-9910  
Operating Transfers In - Measure B 2,372,000 ✓

\$ 2,372,000 ✓

**Rancho Los Amigos Medical Center**

MN7-HR-60040-2000  
Services and Supplies 5,304,000 ✓

\$ 5,304,000 ✓

**Valley Care Network**

MN3-HO-60050-96-9911  
Operating Transfer In 26,083,000 ✓

MN3-HO-60050-96-9912  
Operating Subsidy 20,558,000 ✓

MN3-HO-60050-96-9910  
Operating Transfers In - Measure B 3,240,000 ✓

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08**

ATTACHMENT I-B  
Page 2 of 3

**4-VOTE**

**SOURCES:**

Medi-Cal DSH	3,832,000 ✓
MN3-HO-60050-92-9435 Medicare	5,365,000 ✓
MN3-HO-60050-92-9419 Insurance	3,436,000 ✓
Total Valley Care Network	<u>\$ 49,881,000</u> ✓

**DHS Enterprise Fund**

MN2-HS-60070-6100 Other Financing Uses	64,403,000 ✓
MN2-HS-60070-96-9912 Operating Subsidy	42,346,000 ✓

Total DHS Enterprise Fund	<u>\$ 106,749,000</u> ✓
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<b>Total Enterprise Fund</b>	<u><b>\$ 219,523,000</b></u> ✓
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**Health Services Administration**

AO1-HS-20000-2000 Services and Supplies	8,088,000 ✓
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**Office of Managed Care**

AO1-HP-19975-2000 Services and Supplies	1,919,000 ✓
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**H/UCLA Hub Clinic**

AO1-CP-65036-69574-6014 Fixed Assets - Building & Improv.	1,000 ✓
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**H/UCLA N24 Clinic Addition**

AO1-CP-65036-77541-6014 Fixed Assets - Building & Improv.	1,319,000 ✓
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**H/UCLA Refurb Parlow Library**

AO1-CP-65036-86516-6014 Fixed Assets - Building & Improv.	54,000 ✓
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**Central HC X-Ray Space**

AO1-CP-65036-86571-6014 Fixed Assets - Building & Improv.	173,000 ✓
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**HHH Hot Water Pipe Replacement**

AO1-CP-65036-86637-6014 Fixed Assets - Building & Improv.	27,000 ✓
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**El Monte Pharmacy Renovation**

AO1-CP-65036-86701-6014 Fixed Assets - Building & Improv.	259,000 ✓
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**H/UCLA Cath Lab**

AO1-CP-65036-86728-6014 Fixed Assets - Building & Improv.	71,000 ✓
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**USES:**

**DHS Enterprise Fund**

MN2-HS-60070-3078 Designation for DHS	86,191,000 ✓
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**MN2-HS-60070-3061**

Designation for DHS VC Network	20,558,000 ✓
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	<u>\$ 106,749,000</u> ✓
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	<u>\$ 219,523,000</u> ✓
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**Juvenile Court Health Services**

AO1-HJ-20600-1000 Salaries and Employee Benefits	506,000 ✓
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**AO1-HJ-20600-2000**

Service & Supplies	1,268,000 ✓
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**Health Services - Realignment**

AO1-HS-19999-88-8899 Sales Tax	2,155,000 ✓
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**VLF Realignment**

AO1-ND-10590-10591-88-8716 State Vehicle License Fee - AB 1288	2,545,000 ✓
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**Hudson Comprehensive HC Seismic Retro**

AO1-CP-65036-86514-6014 Fixed Assets - Building & Improv.	3,000 ✓
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**El Monte HS Seismic Retrofit**

AO1-CP-65036-86505-6014 Fixed Assets - Building & Improv.	74,000 ✓
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**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08**

**4-VOTE**

**SOURCES:**

**USES:**

<b>OVMC Cath Lab</b>		
AO1-CP-65036-86729-6014		
Fixed Assets - Building & Improv.	25,000	✓
<b>H/UCLA Psych Facility Upgrade</b>		
AO1-CP-65036-86851-6014		
Fixed Assets - Building & Improv.	157,000	✓
<b>OV/UCLA Psych Facility Upgrade</b>		
AO1-CP-65036-86852-6014		
Fixed Assets - Building & Improv.	120,000	✓
<b>H/UCLA Radio/Flouro Room Mod</b>		
AO1-CP-65036-86864-6014		
Fixed Assets - Building & Improv.	334,000	✓
<b>USP797 Pharm Upgrade - Multiple Sites</b>		
AO1-CP-65036-86873-6014		
Fixed Assets - Building & Improv.	3,356,000	✓
<b>RLA Radio/Flouro Room Mod</b>		
AO1-CP-65036-86898-6014		
Fixed Assets - Building & Improv.	70,000	✓
<b>Various Refurbishments</b>		
AO1-CP-65036-86937-6014		
Fixed Assets - Building & Improv.	6,961,000	✓
<b>H/UCLA Nurse Call System Replacement</b>		
AO1-CP-65036-87009-6014		
Fixed Assets - Building & Improv.	2,530,000	✓
<b>H/UCLA Central Plant Bldg Control Rfurb</b>		
AO1-CP-65036-87010-6014		
Fixed Assets - Building & Improv.	215,000	✓
<b>MLK MACC Central Sterile Rfb</b>		
AO1-CP-65036-87012-6014		
Fixed Assets - Building & Improv.	2,220,000	✓
<b>OV/UCLA Fluoroscopy Room Rfurb</b>		
AO1-CP-65036-87013-6014		
Fixed Assets - Building & Improv.	440,000	✓
<b>General Fund Subsidy - (OV/UCLA)</b>		
AO1-AC-21200-21232-6100		
Operating Transfers Out	20,558,000	✓

**General Fund Subsidy - (DHS Enterprise Fund)**

AO1-AC-21200-21236-6100	42,346,000	✓
Operating Transfers Out		

<b>Total General Fund</b>	<u>\$ 48,897,000</u>	✓
<b>Total Department</b>	<u>\$ 268,420,000</u>	✓

<u>\$ 48,897,000</u>	✓
<u>\$ 268,420,000</u>	✓

**Noted & Approved:**

  
Mela Guerrero, Controller  
Department of Health Services

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9/18/2008

BA # 916

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No.

110

August 21

2008

## Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008

4 - VOTES/

SOURCES

See attachment II-B for details

USES

See attachment II-B for details

JUSTIFICATION

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.914 million of unused funding from the Department of Public Social Services (DPSS).

  
 Mela Guerro, DHS Controller's Division

## Chief Executive Officer's Report

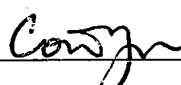
Referred to the Chief  
Executive Officer for --

action

  
 Recommendation

auditor-controller

by


no. 907
Sept. 24 20 08

Approved as Requested

as Revised

Sept. 30 20 08
  
 Chief Executive Officer
approved (as revised):  
board of supervisors

20

by

deputy county clerk



**DEPARTMENT OF HEALTH SERVICES  
IHSS HEALTH BENEFITS PROGRAM  
FISCAL YEAR 2007-08**

ATTACHMENT IIB

**4-VOTE**

**SOURCES:**

✓ LAC+USC Healthcare Network	
✓ MN4-HG-60010-96-9912	
✓ Operating Subsidy	\$ 342,000 ✓
 Coastal Network	
✓ MN1-HH-60020-96-9912	
✓ Operating Subsidy	225,000 ✓
 Southwest Network	
✓ MN5-HK-60030-96-9912	
✓ Operating Subsidy	161,000 ✓
 Valleycare Network	
✓ MN3-HO-60050-96-9912	
✓ Operating Subsidy	181,000 ✓
 Total Enterprise Funds	<u>\$ 909,000</u> ✓

**USES:**

✓ LAC+USC Healthcare Network	
✓ MN4-HG-60010-92-942A	
✓ CHP-In-Home Supp Svcs Rev	\$ 342,000
 Coastal Network	
✓ MN1-HH-60020-92-942A	
✓ CHP-In-Home Supp Svcs Rev	225,000
 Southwest Network	
✓ MN5-HK-60030-92-942A	
✓ CHP-In-Home Supp Svcs Rev	161,000
 Valleycare Network	
✓ MN3-HO-60050-92-942A	
✓ CHP-In-Home Supp Svcs Rev	181,000
 Office of Managed Care	
✓ AO1-HP-19975-92-942A	
✓ CHP-In-Home Supp Svcs Rev	\$ 5,000
 ENT SUB-LAC+USC HLTHCARE NETWK	
✓ AO1-AC-21200-21224-6100	
✓ Operating Transfers Out	342,000
 ENT SUB-COASTAL CLUSTER	
✓ AO1-AC-21200-21226-6100	
✓ Operating Transfers Out	225,000
 ENT SUB-SW CLUSTER	
✓ AO1-AC-21200-21228-6100	
✓ Operating Transfers Out	161,000
 ENT SUB-SF VALLEY CLUSTER	
✓ AO1-AC-21200-21232-6100	
✓ Operating Transfers Out	181,000
 Total General Funds	<u>\$ 914,000</u>
 Total Department	<u>\$ 1,823,000</u>

Noted & Approved:

  
Mela Guererro, Acting Controller  
Department of Health Services

BA# 907  9/24/08

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**IHSS HEALTH BENEFITS PROGRAM**  
**FISCAL YEAR 2007-08**

**4-VOTE**

**SOURCES:**

**USES:**

/ **DPSS-IHSS**  
/ A01-SS-26300-26410-2000  
/ Services and Supplies \$ 914,000 /

**Total Department**

**\$ 914,000**

**\$ -**

**Noted & Approved:**



**Thanh Do, Director of Budget Policy  
Department of Public Social Services**

BA # 907

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health Services

Dept's. No.	110
08/24	2008

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

**FY 2008**  
4 - VOTES /

SOURCES

See Attachment III-B for details

USES

See Attachment III-B for details

JUSTIFICATION

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with the FY 2007-08 final experience

MG:ty  
08/24/2008

  
Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

Referred to the Chief  
Executive Officer for ---

action

Recommendation

auditor-controller

by

no. 917Sept. 24 2008

Approved as Requested

as Revised

Sept. 30 2008approved (as revised):  
board of supervisors

20

by

deputy county clerk

**DEPARTMENT OF HEALTH SERVICES**  
**MEASURE B BUDGET ADJUSTMENT**  
**FISCAL YEAR 2007-08**

**4-VOTE**

**SOURCES:**

✓ Measure B - Harbor/UCLA Medical Center	
✓ BW9-HS-41010-41012-6100	
✓ Operating Transfers Out	✓ \$ 10,011,000
✓ Measure B - King/Drew Medical Center	
✓ BW9-HS-41010-41015-6100	
✓ Operating Transfers Out	✓ 2,372,000
✓ Measure B - Olive View Medical Center	
✓ BW9-HS-41010-41013-6100	
✓ Operating Transfers Out	✓ 3,240,000
✓ Measure B - Administrative/Other	
✓ BW9-HS-41010-41017-2000	
✓ Services & Supplies	✓ 2,000
✓ Health Services Administration	
✓ A01-HS-20000-2000	
✓ Services and Supplies	✓ 224,000
<b>Total</b>	<b>\$ 15,849,000</b>

**USES:**

✓ Measure B - LAC+USC Medical Center	
✓ BW9-HS-41010-41014-6100	
✓ Operating Transfers Out	✓ \$ 15,625,000
✓ Health Services Administration	
✓ A01-HS-20000-9910	
✓ Operating Transfers In - Measure B	✓ 224,000
	<b>\$ 15,849,000</b>

Noted & Approved:

  
Mela Guerrero, Contoller  
Department of Health Services

9/18/2008

BA # 917 Copy 9/24/08

**DEPARTMENT OF HEALTH SERVICES**  
**SUMMARY EXPLANATION OF BUDGETARY VARIANCES**  
**FISCAL YEAR 2007-08**  
(\$ In Millions)

Attachment IV

Sources	FY 2007-08
<b>Deficit from Operations:</b>	
- Current Fiscal Year	\$ 2.4
- Prior Fiscal Years	(12.6)
Subtotal	<u>\$ (10.2)</u>
<b>Extraordinary Expenditure Variances:</b>	
- Financial Stabilization	\$ 53.4
- Hiring Delays	22.1 (A)
- Capital Projects	18.3
- Other Charges	12.1 (B)
- Employee Benefits	11.8 (C)
- Insurance & Indemnity (S&S)	5.5
- Fixed Asset	1.9
Subtotal	<u>\$ 125.1</u>
<b>Extraordinary Funding Variances:</b>	
- CBRC	\$ (33.2)
- CHP Equity Distribution	17.4
- Insurance (Including Medi-Cal HMO and Medicare HMO)	7.9
- Medi-Cal Redesign	7.3 (D)
- Mental Health	0.9
- Vehicle License Fees	(2.5) (E)
- Sales Tax	(2.2) (E)
- SB 1732	(2.4)
- AB 915	(1.3)
Subtotal	<u>\$ (8.1)</u>
<b>Total Fiscal Year 2007-08</b>	<u>\$ 106.8</u>
<b>Other:</b>	
- Designation Balance from Prior Fiscal Years	<u>\$ 4.0</u>
<b>June 30, 2008 Designation Balance</b>	<u><u>\$ 110.8</u></u>

**Notes:**

- (A) Surplus reflects position vacancies due to difficulties in hiring.
- (B) Surplus primarily due to less than anticipated debt service costs.
- (C) Surplus primarily due to less than anticipated Workers Compensation costs, Long Term Disability costs, and Benefits Plan costs per final actuals.
- (D) Reflects higher than anticipated revenue, that DHS expects to receive under Medi-Cal Redesign for FYs 05-06, 06-07, and 07-08.
- (E) Per final actuals provided by CEO and Auditor-Controller.